



CITY LIGHT REVIEW PANEL MEETING

Tuesday, October 25, 2022

9:00 – 11:00 A.M.

SMT 3517

—or—

Microsoft Teams Meeting

Proposed Agenda

<u>Item</u>	<u>Lead</u>
1. Welcome (5 min.)	Mikel Hansen, Panel Chair
2. Public Comment (5 min.)	
3. Standing Items: (5 min.)	
a. Review of agenda (Karen Reed)	
b. Action: Review and approval of meeting minutes of September 27 th	
c. Chair's Report (Mikel)	
d. Communications to Panel (Leigh Barreca)	
4. Infrastructure Investment & Jobs Act (IIJA) Overview (30 min.)	Maura Brueger/ Stefanie Johnson
5. 2023 – 2028 Strategic Priorities and PIA Review (20 min.)	Leigh
6. Finalize Review Panel Workplan and Supporting Letter (30 min.)	Karen
7. General Manager Update (25 min.)	Debra Smith
a. 2023 - 2024 Budget highlights	
b. Organizational restructuring	
8. Adjourn	

Next Meeting: November 22nd, 9:00 – 11:00 a.m.



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: September 27, 2022 | 9:00 – 11:00 AM |
Meeting held in SMT 3517 and via Microsoft Teams “Draft”

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Anne Ayre	√	Leo Lam	√	John Putz	√
Mikel Hansen		Kerry Meade	√	Tim Skeel	
Scott Haskins		Joel Paisner	√	Michelle Mitchell-Brannon	
Staff and Others:					
Debra Smith	√	Jen Chan		Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes		Craig Smith	
Jim Baggs		DaVonna Johnson		Michelle Vargo	
Kalyana Kakani	√	Emeka Anyanwu		Maura Brueger	√
Julie Moore	√	Chris Ruffini	√	Chris Tantoco	
Greg Shiring	√	Carsten Croff	√	Leigh Barreca	√
Eric McConaghy	√	Caia Caldwell		Angela Bertrand	√
		Josh Walter	√	Brian Taubeneck	√

Welcome and Introductions. The meeting was called to order at 9:03 a.m.

Public Comment. There was no public comment.

Standing Items:

Review Agenda. Karen Reed reviewed the agenda.

Approval of July 26 and August 25, 2022 Meeting Minutes. Minutes were approved as presented.

Chair’s Report. No report.

Communications to Panel. One email was received inquiring as to how to find out the schedule of upcoming Panel meetings. Leigh Barreca directed provided the link to the Seattle.gov Review Panel page to the individual.

Review Panel Chair & Co-Chair Elections Mikel Hansen was reelected as Chair, and Leo Lam was elected as Co-Chair.

General Manager’s update. Debra Smith updated the panel on the following items:



City Light Review Panel Meeting Meeting Minutes

- a. Rate Ordinance at Council – Committee presentation on 8/10 and 9/14. Thanks to the Review Panel for their support of this path. Full council adopted the plan on 9/20 with a vote of 7-2 with CMs Pederson and Sawant voting “no”. In her endorsement of the rate ordinance, CM Nelson expressed her great appreciation for the work and advisory support of the Review Panel. More thanks to Mikel for attending the meeting and for so eloquently voicing the Panel’s support of the rate plan.
- b. Help with Utility Bills (Road to Recovery) – Throughout the summer, SCL and SPU promoted resources to help with utility bills in advance of resuming shutoffs. Both utilities are directly communicating with customers in arrears as well as conducting community outreach including tabling at United Indians’ Seafair Indian Days Powwow and the Chinatown International District Celebration (SCL Outreach & Engagement Advisor Kristian Alcaide at the CID event pictured below), working with Age Friendly Seattle and DON’s Community Liaisons program, distributing flyers through the Food Service Program, and providing flyers to King County Library branches in SPU and SCL’s service territories. SCL and SPU have updated our Urgent and Final Shutoff notifications to include key information in Seattle’s top tier languages and to promote financial resources including flexible payment plans, the Utility Discount Program, and Emergency Assistance. Prior to resuming shutoffs, SCL and SPU will communicate with interested parties including franchise cities, City departments, and community partners. SPU resumed sending notifications the week of August 29, with first shutoffs slated to occur the week of October 3. SCL is intentionally staggering our resumption by one month. SCL will resume sending notifications to delinquent accounts the week of September 26 with shutoffs resuming the week of October 17.
- c. Utility Assistance Portal – On Monday, Aug. 29, phase one of the new Utility Assistance Program (UAP) online application went live, allowing City of Seattle utility customers to apply for utility discount and emergency assistance programs via a single mobile-friendly online platform. The system is designed to improve the application process for customers and City program staff. UAP supports longstanding, citywide goals to increase the number of qualified households enrolled in utility assistance programs. In the three days following Monday’s soft launch, the portal logged 135 customer logins, with 97 applications submitted. The UAP Project Team is comprised of representatives from Seattle IT, Seattle City Light, Seattle Public Utilities and Human Services.
- d. Solar Panels at Burien’s Highline High School – This is the result of a project that the school’s Environmental Club instigated and advocated for, including a \$12,000 community fundraiser and successful applications for a \$110,000 grant from Washington State Department of Commerce and \$125,000 in future renewable energy credits from the Seattle City Light Green Up program. The solar installation will generate approximately 115,400 kWh in its first year of operation, which is the equivalent of \$10,000 in energy savings. As a result of the successful award of a grant, the solar array is estimated to achieve a simple payback within 2.5 years.
- e. Inflation Reduction Act – Debra was able to join U.S. Sen. Patty Murray, D-Wash., on Tuesday, August 16th to mark President Joe Biden’s signing of the Inflation Reduction Act (IRA) into law. We were joined by commissioners from the Port of Seattle and Port of Tacoma at a media event at Seattle Housing Authority’s all-electric Hinoki building, an affordable housing project where a 52-kilowatt solar installation generates renewable energy for Seattle City Light’s renewable energy purchasing



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program.

The landmark act brings the biggest investment ever in the U.S. to fight climate change. It will provide around \$375 billion over the next decade to incentivize and subsidize technology like solar panels, improve home energy efficiency, help reduce air pollution in low-income communities, enhance renewable energy sources and provide tax incentives for electric vehicles, among other things.

- f. Visit to Kobe – Debra planning to visit Kobe, Japan, Seattle’s sister city, in November as a part of a contingent working to understand the possibilities around hydrogen power.
- g. Return to Office – Employees will be notified around the next phase of return to office on Thursday. Non-field employees will be expected to be in the office for a minimum of 2 days a week. All employees will be submitting new Alternative Work Agreements (AWAs.) There is an exception process that we are still working through ourselves.

Q: How is City Light planning to take advantage of the funding available under the Inflation Reduction Act (IRA)?

A: We are part of the City’s taskforce working on this. This group is focused on interagency cooperation and support in addition to providing information about funding opportunities. It will be about 4-6 months before we have detail on what projects the City will propose.

Q: I spoke to a customer who experiences a delay in getting service and did not get billed for almost a year. Do you know anything about this?

A: Yes. We still have a 15% vacancy rate, so we’re missing some of our performance targets. We will not meet our pole replacement goal. Smart meter installation has been slowed a lot by supply chain disruption. We are working on presumptive consumption billing—targeting 80% of average and SCL will not back bill, the utility will eat any under billing.

SCL is also working on a project to coordinate with homebuilders, SCL and other City departments to improve on concerns and streamline processes.

Bonneville Power Administration. Josh Walter presented. The presentation is in the meeting packet.

Q: Does City Light have a position on the Regional Transmission Organization (RTO)?

A: Yes, we believe that is the direction the region is moving. Jim Baggs is working as part of his work on the Western Market development.

Q: I haven’t heard much about the 2028 contract – do you have a rundown of that?

A: As of now, the products will stay the same with the caveat of the possibility of a capacity product. This may be a constraint through a net peak requirement to assess BPA’s ability to



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provide capacity to meet customer peak load requirements. It's historically been contemplated but never implemented. It's being considered now due to stressed conditions.

Review Panel Workplan. Karen Reed noted that a draft workplan for the Panel's next two years is in the meeting packet. Submitting a two-year work plan is an ordinance requirement for the Panel. Panel members provided feedback and suggestions. Workplan will be finalized at our October meeting.

Acronyms in the draft workplan:

- IRP: Integrated Resource Plan
- OCM: Organizational Change Management
- BPM: Business Process Improvement
- P&C: People & Culture
- RSJ: Race and Social Justice
- TOU: Time of Use
- SP: Strategic Plan

Status Report. Angela Bertrand and Leigh Barreca presented. The Strategic Plan status reports for Q1 and Q2 as well the July Executive Dashboard are in the meeting packet.

Adjourn: Meeting adjourned at 10:59 a.m.

Next meeting: Oct. 25, 2022, 9:00 – 11:00 a.m. There will be both virtual and In-person meeting options.

Review Panel Presentation – Federal Infrastructure Grant Strategy

Maura Brueger, Stefanie Johnson & Leigh Barreca

October 25, 2022

Strategy & Prioritization



Strategic Plan Commits to Grant Funding

- Create Our Energy Future: Utility Next
 - Compete for **state and federal grants**, including major investments being made available by the Infrastructure Investment and Jobs Act that will augment and accelerate progress in grid modernization and electrification and reduce costs to ratepayers.
- Other Strategic Plan PIAs align with grant opportunities
 - Create our Energy Future: “Grid modernization program” and “Implement electrification plans”.
 - We Power: “Prioritize investment in core infrastructure”: *Prioritize investment in core infrastructure and **incorporate new concepts and technologies** to accelerate grid modernization. Evaluate and adjust business processes to ensure design and planning supports advancements in our **customer-facing services**.*

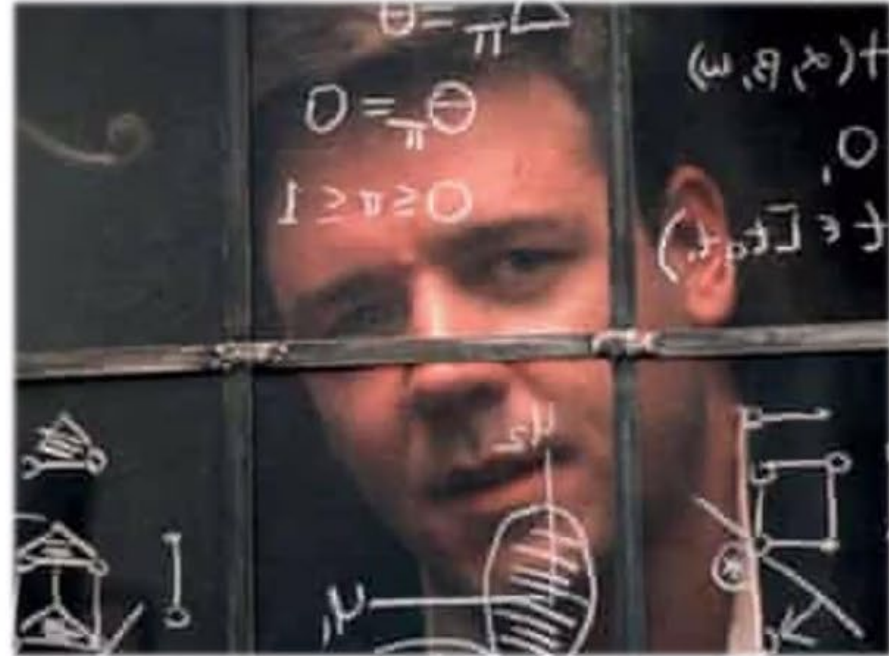


There are two general approaches to pursuing state and federal grants...

The “Squirrel” Approach



The Beautiful Mind Approach



Strategy - “A Beautiful Mind”

- Identify areas of priority/need and re-evaluate over time.
- Identify opportunities in advance, have projects flagged accordingly (builds upon Utility Next work).
- Allow for flexibility to take advantage of emerging opportunities.
- Create a structure that provides guidance, process, continuity.
- Socialize information.



Prioritization Criteria

- Project supports a Strategic Plan PIA
- Project has funding for match and/or other grant funding
- SCL has capacity/funding for life of grant
- Value of the grant offsets any additional costs/burdens
- Project benefits EJs/qualifies as Justice40 Initiative
- Other considerations:
 - *Does the project/funding pose a one-of-a-kind opportunity?*
 - *Is it a priority for City of Seattle/Mayor Harrell?*
 - *Does it support a customer project/priority?*

Program Coordination Responsibilities



- Prioritization
- Screening
- Business processes
- Steering Committee, Core Team, SMEs
- Opportunity tracking and coordination
- Coordination with City and State entities
- Information Sharing
- Secure community/customer support

Current Grant Awards

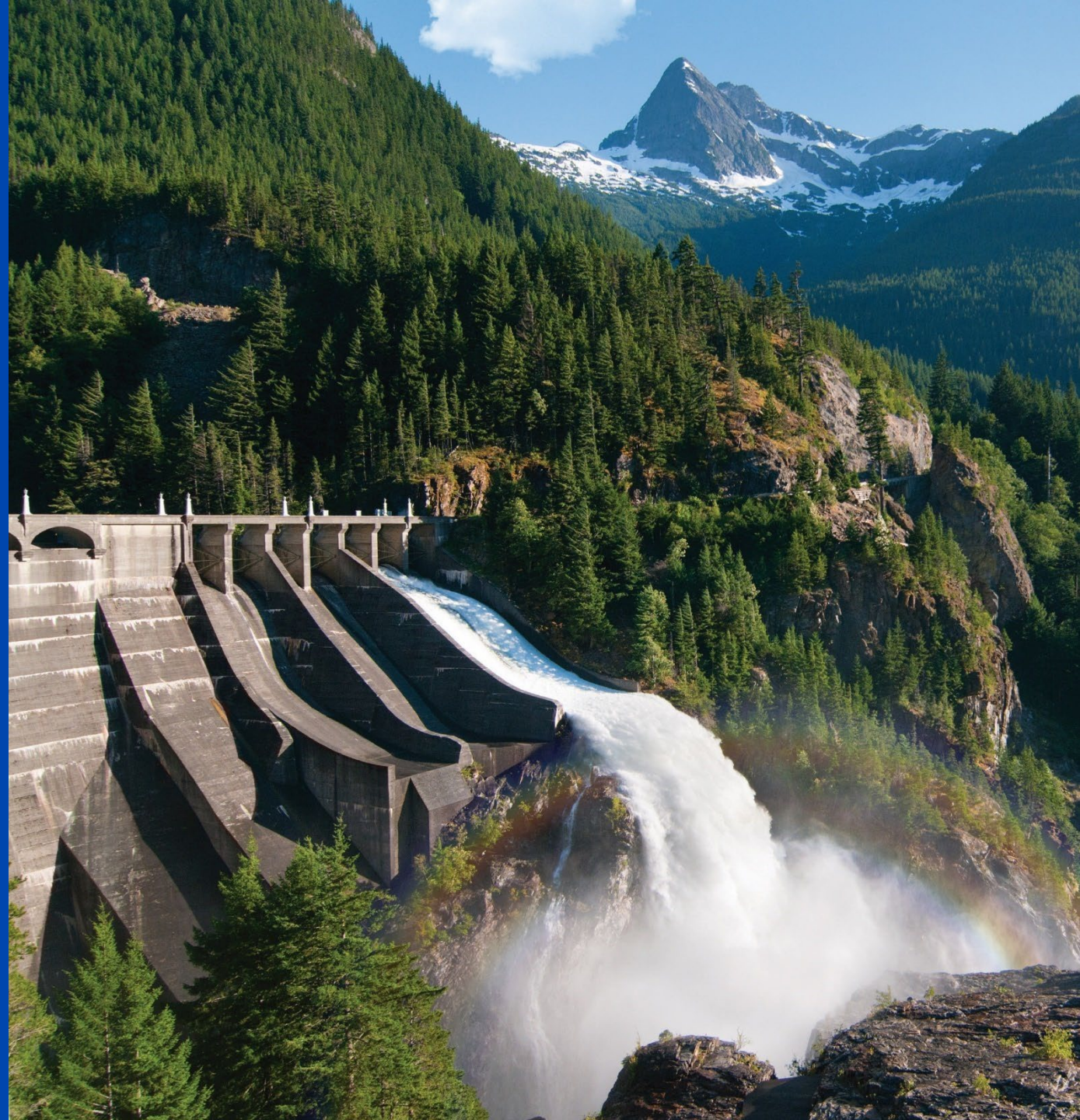
SCL Primary Recipient	Project	Grant	Granting Organization	Partner	Lead agency	Start date	End date	Grant amount	SCL receives	SCL Match (in-kind)	SCL match (cash)	Others providing matching
x	Belltown EV Charging with Integrated Battery	Clean Energy Fund Transportation	Washington State Dept of Commerce	n/a	SCL	2021		\$ 600,000	\$ 600,000	\$ 300,000		No
	Port of Seattle Renewable Hydrogen	H2@Scale (2020)	DOE	PNNL, SNL	PNNL	2021	2023	\$ 1,500,000	\$ -	\$ 150,000		Yes
	Port of Seattle Renewable Hydrogen	H2@Scale (2021)	DOE	PNNL, SNL	PNNL	2022	2024	\$ 1,100,000	\$ -	\$ 110,000	\$ 75,000	Yes
x	Seattle Center/Climate Pledge Arena Ecodistrict & Microgrid	Clean Energy Fund Grid Modernization	Washington State Dept of Commerce	Seattle Center, Climate Pledge Arena, Seattle Monorail	SCL	2022	2023	\$ 150,000	\$ 150,000	TBD based on scope		Yes
x	Seattle Central College EcoDistrict	Clean Energy Fund Grid Modernization	Washington State Dept of Commerce	Seattle Central College	SCL	2022	2023	\$ 150,000	\$ 150,000	TBD based on scope		Yes
x	King County Metro DC Microgrid	Clean Energy Fund Grid Modernization	Washington State Dept of Commerce	KCM, PNNL	SCL	2022	2024	\$ 500,000	\$ 500,000	TBD based on scope		Yes
x	WSF Colman Dock Battery Energy Storage System	Clean Energy Fund Grid Modernization	Washington State Dept of Commerce	WSF	SCL	2022	2024	\$ 500,000	\$ 500,000	TBD based on scope		No
	DESIRED (Deep Efficiency and Smart Grid Integrated Retrofits in Disadvantaged Communities)	Connected Communities	DOE	EPRI	EPRI	2022	2028	\$ 5,270,000	\$ 552,000	\$ 450,000		Yes
	Affordable Mobility Platform (AMP)	EERE Low GHG Vehicle Technologies Research, Development, Demonstration and Deployment	DOE	Forth	Forth	2022	2026	\$ 5,020,217	\$ -	\$ -	\$ 135,000	Yes
	Holistic Decarbonization, Energy Burden, Energy Efficiency & Health Improvements in Multi-Family Affordable Housing	DOE Weatherization Enhancement & Innovation	DOE	OH, OSE	OH	2023	2025	\$ 1,800,000				

Grant Process Management

Purpose: Capture existing and future grant opportunities, in order to plan for project and resource availability.

								2022													
								Q3			Q4			Q1			Q2				
								JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY			
ACTIVE	Lead Dept/BU	Partnerships	SCL BU/Div	Grant Rcvd	Match (In-Kind)	Match (Cash)	# new FTEs?														
WA Dept of Commerce Belltown EV Charging	SCL		EST/Engr	\$600,000	\$300,000			Began 2021	→ End ?												
DOE Port of Seattle Renewable Hydrogen	PNNL	SCL	EST	0	\$150,000			Began 2021	→												
DOE Port of Seattle Renewable Hydrogen	PNNL	SCL	EST	0	\$110,000	\$75,000		Began 2022	→												
WA Dept of Commerce Seattle Center/Climate Pledge Arena	SCL	Seattle Center	EST	\$150,000	TBD			Began 2022	→												
WA Dept of Commerce Seattle Central College EcoDistrict	SCL	Seattle Central	EST	\$150,000	TBD			Began 2022	→												
WA Dept of Commerce KC Metro DC Microgrid	SCL	KCM/PNNL	EST	\$500,000	TBD			Began 2022	→												
WA Dept of Commerce WSF Colman Dock Battery Storage	SCL	WSF	EST/AML/Engr	\$500,000	TBD			Began 2022	→												
DOE Deep Efficiency & Smart Grid Integrated Retrofits	EPRI	SCL	EST/Engr	\$552,000	\$450,000			Began 2022	→												
DOE EERE Low GHG Vehicles Technologies Research	Forth	SCL	EST	\$0	0	\$135,000		Began 2022	→												
APPLICATION IN PROCESS																					
DOE Advancing Clean Vehicle Technology	TBD	SCL							→ Application Due 11/10/22												
DOE Grid Resilience	SCL		TBD						→ Application Due 9/30/22 (State of WA completes application for formula fun												
PENDING APPLICATION																					
DOE Tech to enhance grid flexibility	SCL	WSF	EST/Eng						■ NOFO expected to open Q3												
DOE Energy Storage Demo Pilot	SCL	TBD	EST/Eng						■ NOFO expected to open Q3												
DOE Hydro incentives	SCL	SPU?	Generation Eng.						■ RFI Response due 9/6/22									■ NOFO open Q1			
DOE Production incentives	SCL		Generation Eng.						→ Application est 2022												
Dept Homeland Sec National Dam Safety program	SCL	SPU?	Generation Eng.						TBA												
DOE Preventing Outages/Ensuring reliability & resiliency	SCL		EST/Eng/AML/						■ RFI Response due 9/6/22, NOFO open Q3												
DOE Section 243 Hydro Efficiency Improvements	SCL		Generation Eng.						■ NOFO open Q3												
DOE Cybersecurity	SCL		EST/Cybersec						→ Application est Q3 2022												
DOE Advanced Energy Security Program	SCL		EST/Cybersec						■ NOFO open Q3												
DOE Municipal Utility Cybersecurity	SCL		EST/Cybersec															■ NOFO open Q4			

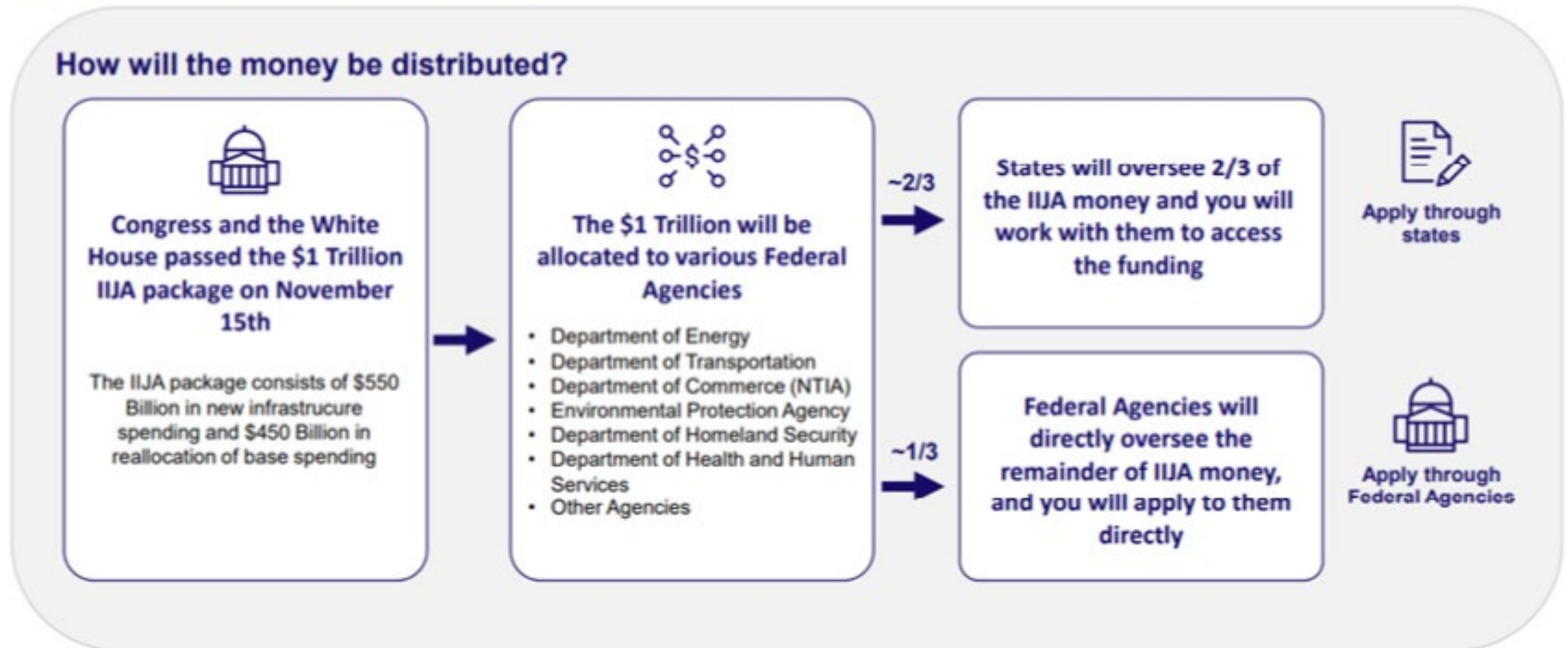
Funding Opportunities



Background – Infrastructure Investment & Jobs Act

Flow of IJA Funding

About two-thirds of the \$1T in IJA funding will flow through the states to sub-grantees while the remaining one-third will be available through direct applications through the federal agencies.



Grid Resilience and Innovation Partnership (GRIP)

- DOE is proposing a combined implementation strategy of three programs:
 - Grid Resilience Grants (Competitive from DOE)—\$2.5B
 - Grid Innovation Program—\$5B
 - Smart Grid Grants—\$3B
- GRIP RFI proposed to align timing of all three in a single annual award cycle.
 - Goal of coordinated approach is to work in partnership and develop a systematic and complementary approach to planning investments.
 - SCL contributed to comments to RFI on 10/14
 - FOA expected in November 2022.



GRIP Program Details

- Grid Resilience Grants (40101 (c), direct to eligible entities)—\$2.5B
 - Award limited by prior spending on resilience. Proposed \$100M cap, 50% cost share.
 - *SCL eligible to apply*
 - Supports activities that will modernize the electric grid to reduce impacts due to extreme weather and natural disasters.
- Grid Innovation Program (40103)—\$5B
 - \$50-250M per award. Proposed increased award of \$1B for interregional transmission projects only. 50% cost share.
 - *SCL not eligible as a stand-alone applicant for this.*
 - Supports collaborative efforts to enhance grid resilience and reliability with innovative approaches to transmission, storage, and distribution infrastructure.
- Smart Grid Grants (40107)—\$3B
 - Up to \$30M per award, 50% cost share.
 - *SCL eligible to apply*
 - Increase the flexibility, efficiency, and reliability of the electric system, with focus on:
 - increasing capacity of transmission system,
 - preventing faults that may lead to wildfires or other system disturbances,
 - integrating renewable energy, and
 - facilitating the integration of increasing electrified vehicles, buildings, and other grid-edge devices.

Other Grid Resilience Grant Opportunities

- Grid Resilience Grants (40101(d)--Formula Funds to states)—\$2.3B*
 - Formula funding to states and tribes over five years.
 - WA allocation is \$11.7M/year
 - WA appointed the Dept of Commerce (COM) to apply for, receive, and administer this funding.
 - Purpose: To strengthen and modernize grid against wildfires, extreme weather, and other natural disasters intensified by climate change.
 - DOE FOA released 7/6/22; State application is due 3/31/23
 - SCL met with COM consultant to discuss potential projects, including Accelerated Pole Replacement Program, Grid Mod and Flooding Impact Study in Duwamish Valley, and Remote Facility Resilience for heat and wildfires.
 - Commerce will share draft program and seek comment.



*This program (40101) has two funding mechanisms, formula funds through states (40101d), and direct funding from DOE (40101(c) on prior slide).

Hydroelectric Grant Opportunities

- Hydroelectric Efficiency Improvements Incentive (\$553M)
 - Section 247 Program
 - RFI closed on 9/6/22 (NHA submitted comments); NOFA expected Q1 2023
 - Incentives are provided for projects in three categories: (1) improving grid resiliency; (2) improving dam safety; and (3) environmental improvements.
 - Payment not to exceed 30% of costs of improvement not exceed \$5M per facility per fiscal year.
- Maintaining & Enhancing Hydroelectric Incentives (\$75M)
 - RFI closed on 9/6/22 (NHA submitted comments)
 - NOFA expected Q1 2023
 - Incentives for capital improvements that increase efficiency of the generation by 3%
 - Payment not to exceed 30% of costs of improvement not exceed \$5M per facility per fiscal year.

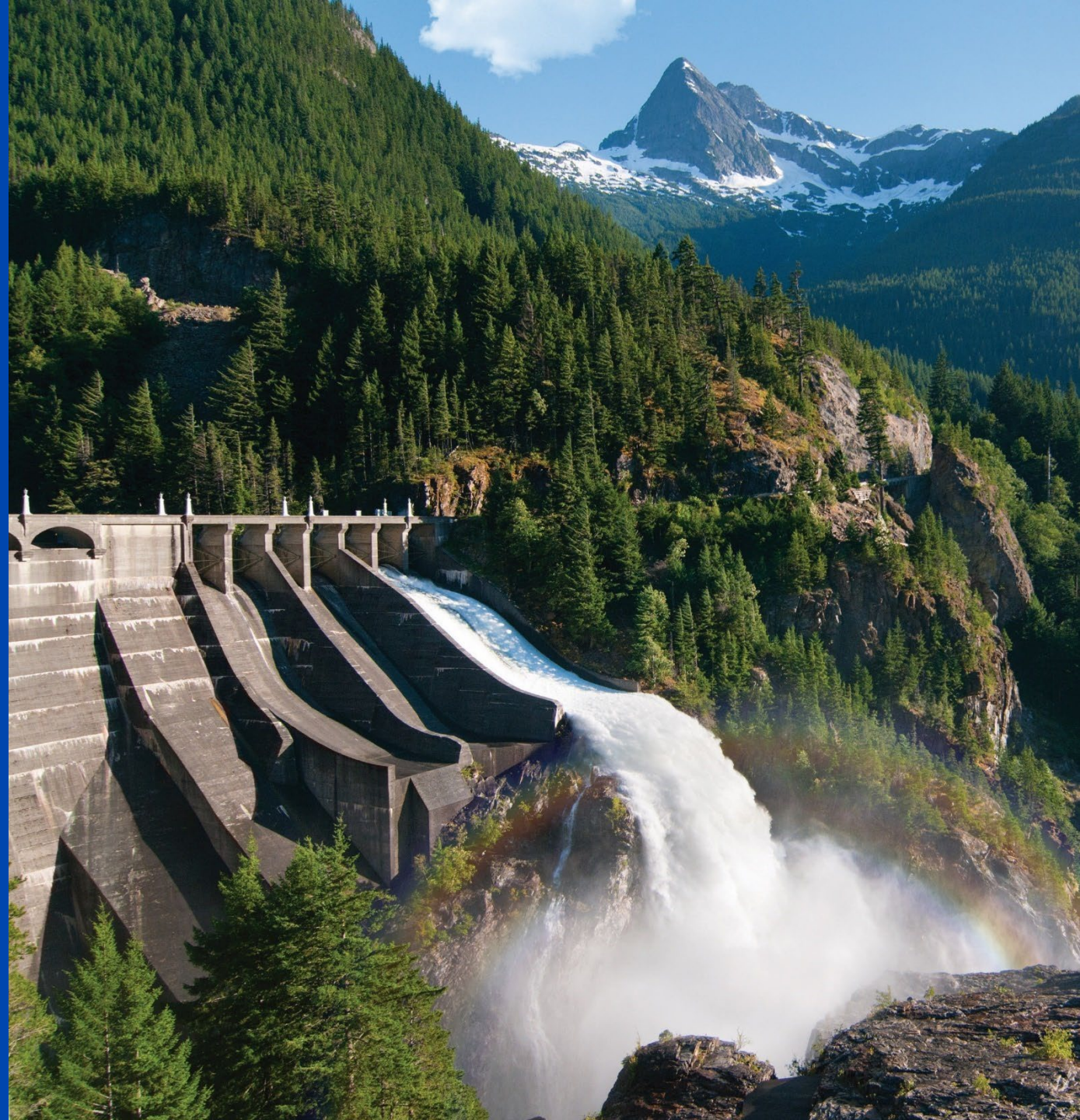


Other Grant Opportunities

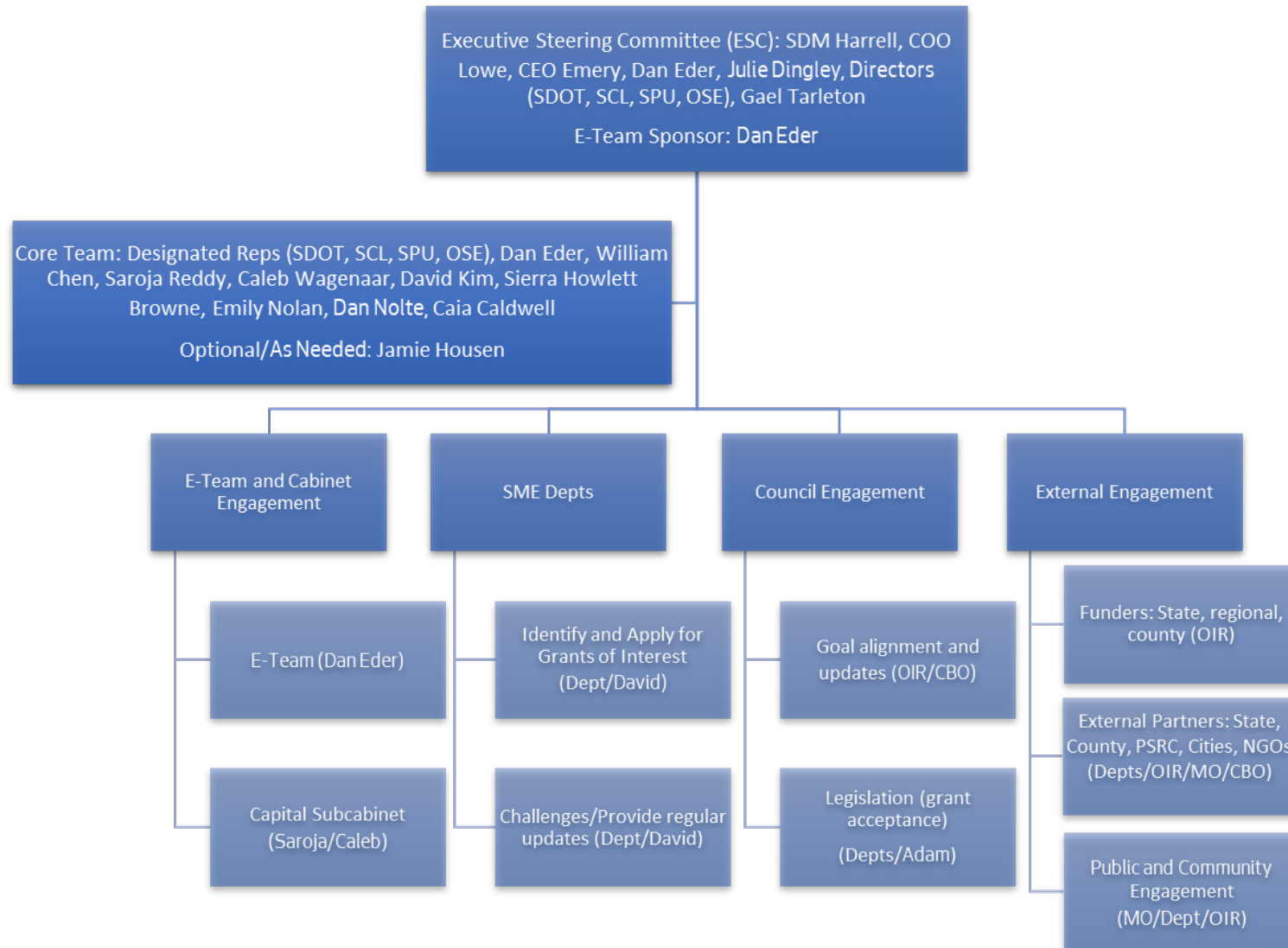
- Building Resilient Infrastructure and Communities (BRIC) Program
 - Supports pre-disaster and hazard mitigation activities undertaken by state and local communities.
 - Annually appropriated FEMA Program (not new)
 - WA State Dept. of Comm administers, and Seattle Emergency Management Office (OEM) coordinates grant applications submitted to FEMA.
 - Submitting one full applications for FY2022 to WA due November
 - Project Scoping: Hardening Seattle's Electric Power System (\$500k) – aligns with GNDB Resilience Hubs
 - FEMA Funding decisions Q3 2023
 - Funding available annually with II&JA (\$1B) available over 5 years (multi-year projects encouraged)



Citywide Coordination



Citywide IJA Funding Coordination



Questions



THANK YOU



Seattle City Light

Mission, Vision & Values

Mission

Seattle City Light provides our customers with affordable, reliable and environmentally responsible energy services.

Vision

Create a shared energy future by partnering with our customers to meet their energy needs in whatever way they choose.

Values



Customers First



Environmental Stewardship



Equitable Community Connections



Operational and Financial Excellence



Safe and Engaged Employees

Review Panel Workplan

October 2022 – September 2024

Quarter	Month(s)	Topics
Q4 2022	October 25	<ul style="list-style-type: none"> • SCL Organizational Restructure • SCL’s Infrastructure Investment & Jobs act (IIJA) grant process • Business Strategy – Overview • Approve workplan and supporting letter
	November 22	<ul style="list-style-type: none"> • Business Strategy – Financial* <ul style="list-style-type: none"> • Debt Strategy Scope <ul style="list-style-type: none"> ▪ Rates & inflation update ▪ Inflation risk analysis, strategies & planning; forward looking as part of financial plan/debt strategy • Other rate design options under consideration
	December 12	<ul style="list-style-type: none"> • Business Strategy – Organizational Agility* <ul style="list-style-type: none"> • Organizational Change Management/ Business Process Management Roadshow • People & Culture Initiatives (RSJ, vacancies) • Debt Strategy continued • Account Receivable update
Q1 2023	January	<ul style="list-style-type: none"> • Business Strategy – Energy Future* <ul style="list-style-type: none"> • Utility Technology Roadmap • New Markets • Joining Western Power Pool • Joining Day Ahead Market • Electrification and electrification incentives • <i>Discussion: SCL & Regional Economic Development, Smart Growth, Climate Goals (Review Panel request)</i> • <i>BPA Markets-impact on Decarbonization & electrification goals (Review Panel Request)</i> • Q4 2022 Strategic Plan Report

*Timing may be adjusted based on staff availability

	February	<ul style="list-style-type: none"> • Business Strategy – Customer Experience* <ul style="list-style-type: none"> • UDP Update • Customer Technology status • Time of Use Rate (TOU) Implementation plan • IJA grant application update • Q4 2022 Executive Dashboard
	March	<ul style="list-style-type: none"> • Business Strategy – We Power* <ul style="list-style-type: none"> ○ Dashboards ○ Skagit Relicense ○ Service to Bill ○ Operational highlights • Climate goals /addressing climate change • TOD rate design implementation/public engagement
Q2 2023	April - June	<ul style="list-style-type: none"> • Q1 2023 Strategic Plan Report • March Executive Dashboard • Legislative update • TOD rate design implementation/public engagement • Panel Officer Elections
Q3 2023	July - September	<ul style="list-style-type: none"> • Staffing need salary and Job Classification realignment
Q4 2023	October - December	<ul style="list-style-type: none"> • September Executive Dashboard • TOD rate design implementation/public engagement • Begin work towards next Strategic Plan Update • Strategic Plan Update • Draft Revenue Requirement
Q1 2024	January – March	<ul style="list-style-type: none"> • Strategic Plan Update • December Executive Dashboard
Q2 2024	April - June	<ul style="list-style-type: none"> • Strategic Plan Update Completed • Final Revenue Requirement • Review Panel SP letter • Q1 Strategic Plan Status Update • Q1 Executive Dashboard • Panel 2024 – 2025 Workplan • May: Panel Officer Elections
Q3 2024	July - September	<ul style="list-style-type: none"> • Work Plan Development: 2024-2026 • Work Plan Approval • Q2 Executive Dashboard • Q2 2022 Strategic Plan Status Report

*Timing may be adjusted based on staff availability

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Seattle City Light Review Panel

c/o L. Barreca, Seattle City Light
P.O. Box 32023 Seattle, WA 98124-4023
CLRP@seattle.gov

October ____, 2022

DRAFT

Honorable Bruce Harrell, Mayor
Honorable Debora Juarez, Council President
And Members of the City Council
The City of Seattle
600 Fourth Avenue
P.O. Box 94749
Seattle, WA 98124-4749

RE: Proposed SCL Review Panel Biennial Work Plan

Dear Mayor Harrell, Council President Juarez, and Members of the City Council:

On behalf of the Seattle City Light Review Panel, I am submitting the Panel's proposed work plan for the period from October 2023 through September 2024. City Ordinance 12470, approved in 2015 states in part:

After the adoption of each update to the strategic plan, work closely with staff designated by the Mayor and Council to propose a biennial work program to the Mayor and Council. Work program items may include but are not limited to, financial policies, cost allocation, rate design, operational efficiency, issues required by the Mayor/Council and issues the Panel believes the Mayor and Council should consider.

City Light and the Panel, with participation from the Mayor and Council staff, have developed the attached work plan for your review and consideration. The major items in the plan are tracking City Light's progress in implementing the current Strategic Plan.

We would be pleased to meet with you to confer regarding this proposed scope of work. Thank you for your continuing support of the work of this volunteer citizen panel.

On behalf of the entire SCL Review Panel,



Mikel Hansen
Chair, SCL Review Panel

cc: Debra Smith, GM/CEO City Light
Eric McConaghy, City Council Central Staff
Greg Shiring, Budget Office



Debra Smith
GENERAL MANAGER &
CHIEF EXECUTIVE OFFICER



Maura Brueger
GOVERNMENT
& LEGISLATIVE
AFFAIRS DIRECTOR



Jen Chan
CHIEF OF STAFF



Julie Moore
COMMUNICATIONS
DIRECTOR



Leigh Barreca
STRATEGIC PLANNING
& PERFORMANCE
MANAGER



Kristina Pham
ENTERPRISE CHANGE
& BUSINESS PROCESS
MANAGER



Mike Haynes
ASSISTANT
GENERAL MANAGER



Michelle Vargo
CHIEF OPERATING
OFFICER



DaVonna Johnson
CHIEF PEOPLE & CULTURE
OFFICER



Kirsty Grainger
CHIEF FINANCIAL
OFFICER



Emeka Anyanwu
ENERGY INNOVATION
& RESOURCES
OFFICER



Craig Smith
CHIEF CUSTOMER
OFFICER



Jim Baggs
REGULATION & MARKET
DEVELOPMENT OFFICER



Bill Devereaux
ENVIRONMENTAL
MANAGEMENT & REAL
ESTATE DIRECTOR



Brian Belger
NETWORK,
STATIONS & SHOPS
DIRECTOR



Brendan Armstrong
WORKPLACE
LOGISTICS DIRECTOR



Natalie Hayashi
ACCOUNTING
DIRECTOR



Siobhan Doherty
POWER MANAGEMENT
DIRECTOR



Kathryn Aisenberg
CUSTOMER EXPERIENCE
DIRECTOR



Cathy Leone-Woods
REGULATORY AFFAIRS
DIRECTOR



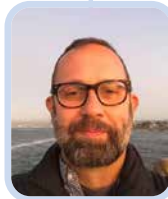
Tamara Jenkins
PROJECT DELIVERY
DIRECTOR



Kurt Pullman
SYSTEM
OPERATIONS
DIRECTOR



Charlotte Dorrity
SAFETY, HEALTH &
WELLNESS DIRECTOR



Chris Ruffini
FINANCE DIRECTOR



Kalyana Kakani
UTILITY TECHNOLOGY
DIRECTOR



Joe Fernandi
CUSTOMER
ENERGY SOLUTIONS
DIRECTOR



Jeff Wolf
LEGAL AFFAIRS
ADVISOR



Andy Strong
ENGINEERING &
TECHNOLOGY
OPERATIONS DIRECTOR



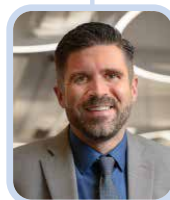
Rob Santoff
FIELD OPERATIONS
DIRECTOR



Melanie Peck
PEOPLE & CULTURE
DIRECTOR



Raman Vishwanathan
RISK OVERSIGHT
DIRECTOR



David Logsdon
ELECTRIFICATION &
STRATEGIC TECHNOLOGY
DIRECTOR



Marcus Jackson
CUSTOMER
OPERATIONS
DIRECTOR



Chris Townsend
NATURAL RESOURCES
& HYDRO LICENSING
DIRECTOR



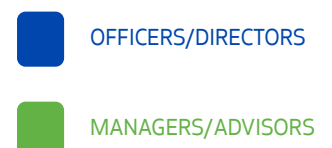
Reagen Price
RACE & SOCIAL JUSTICE
INITIATIVE PROGRAM
MANAGER



Jeff Brausieck
CYBER SECURITY
MANAGER



Katy Schultz
EMPLOYEE RELATIONS
MANAGER





Seattle City Light



STRATEGIC PLAN UPDATE

2023-2028

READY, SET, GO



As a public utility, our customers and the communities we serve help to define Seattle City Light's goals. We, in turn, deliver affordable, reliable, and environmentally responsible power. And we strive to keep the power on, even in challenging situations like extreme weather, population growth, and ever-changing business demands. And as we're learning in 2022, with supply chain disruptions, inflation, and the "great resignation," it's not easy, but no one ever said it would be.

City Light has met the unparalleled challenges of the past two years with resilience, ingenuity, and determinedness. This is to the credit of our incredible workforce and the understanding that no matter the disruptions we face, we are a team with a clear vision of where we want to go and a map for getting there. City Light's Strategic Plan is our guide. It reminds us of our shared purpose and keeps us pointed in the direction of our long-term goals while we navigate the uncertainty of the present. Having a north star has never been more important.

Since 2012, City Light has developed a full Strategic Plan every six years to outline the key strategies that guide our work. We update this plan regularly to reflect current conditions, report on our progress, and make necessary adjustments. This includes incorporating customer, community, and employee feedback to ensure our plans and our day-to-day work continue to reflect diverse needs and perspectives.

In May 2021, the City Council and Mayor adopted a five-year 2022–2026 Strategic Plan, having deferred a planning year during the pandemic. This update puts us back on our regular six-year trajectory. More than that, it's an opportunity for us to add detail and further clarify our shared goals as we move into a post-pandemic reality. The 2022–26 plan helped us keep our sights set on the future as we dealt with the disruption of the pandemic. With that disruption receding, it's time to get going. That's what this update is about—acknowledging the progress we've made, reaffirming our vision, and putting our strategies into action. Ready, set, go!

ACCOMPLISHMENT HIGHLIGHTS

City Light is already making progress on the Strategic Plan. Below are some key accomplishments that highlight work that is underway.

Delivering Power in Extreme Weather

From windstorms and record snow in the winter and fall to record-breaking triple-digit temperatures in the summer, 2021's extreme weather caused many large-scale outages and high peak energy usage. Through it all, City Light responded quickly and safely to get the power back on and manage power loads to ensure the system could accommodate increased use.

Creating Shelter for Unhoused Neighbors

Working with other City of Seattle partners, City Light has turned its former Power Control Center on Roy Street in Seattle's Uptown neighborhood into a 24-hour shelter for up to 40 unhoused individuals. The Seattle Indian Center will manage the shelter.

Expanding Access to Electric Vehicle Charging

City Light continues efforts to install and operate publicly accessible electric vehicle fast chargers throughout its service area. In 2021, City Light installed six new rapid chargers in its franchise cities, including five in Tukwila and one in downtown Burien. In addition, City Light partnered with King County Metro and the City of Tukwila to develop and open a charging facility for Metro's new fleet of all-electric buses. The facility supports efforts to provide accessible electrified public transit for south King County communities and reduces air and noise pollution throughout the region.

Earning a Place on the Clean Energy Leaderboard

In April 2021, the Smart Electric Power Alliance (SEPA), a nonprofit organization that envisions a carbon-free energy system, announced that City Light earned a spot on its 2021 Utility Transformation Leaderboard. The recognition results from City Light's participation in SEPA's Utility Transformation Challenge—an assessment of U.S. electric utilities' efforts to embrace the transition to a clean and modern energy future.





Greening Up Our Community

City Light and the Washington State Housing Finance Commission's (WSHFC) Sustainable Energy Trust were selected as 2021 Green Power Leadership Award winners by the Center for Resource Solutions. The award recognized the two agencies for removing barriers for low- and moderate-income communities to install solar energy projects. Along with affordable financing through WSHFC's Sustainable Energy Trust, communities can access funding through City Light's Green Up Community Program. When customers participate in Green Up, City Light purchases regional renewable energy credits on their behalf to fund community rooftop solar projects.

Customer Assistance

City Light continues its focus on ensuring all customers have access to clean energy, no matter their income. No one should be without power. We are working with City and community partners to increase the effectiveness of our utility bill assistance programs.

Customer Technology

City Light is improving customer-facing technologies to give customers the tools they need to manage their accounts and services. This work is part of the Utility Technology Roadmap, a strategic document created in 2021 that provides a comprehensive plan for our technology portfolio investments.

Organizational Change Management Office

City Light has established a formal change management program to provide consistent structure, standards, training, coaching, and resources to help employees adapt to, and make the most of, changing job functions, business processes, and technology. The program has dedicated staffing, and initial projects are underway.

Exploring Renewable Hydrogen with the Port of Seattle

In 2021, a team led by City Light, Pacific Northwest National Laboratory and Sandia National Laboratories began exploring a potential shift from fossil fuel to clean hydrogen fuel to power medium- and heavy-duty vehicles at the Port of Seattle. Clean hydrogen fuel is expected to significantly reduce greenhouse gas emissions, particularly in the maritime and trucking industries, which are harder to decarbonize. This work is supported by two awards from the U.S. Department of Energy totaling \$2.12 million to help meet emission reduction goals set by City Light and the Port.

Resetting Skagit Hydroelectric Project Relicensing

Climate change makes the carbon-free energy produced by the Skagit River Hydroelectric Project vital to our customers and an important part of today's solution to global climate change. It's also true that our infrastructure has a significant impact on the native lands and culture of Tribes and First Nations, and the dams that power the Northwest are challenging for fish, particularly salmon. When City Light received feedback that the relicensing process was not going well for our partners, we recognized the need for change. Over the last year, we improved our relationships with participating Tribes and agencies by making collaboration the centerpiece of the relicensing process. We also committed to go beyond basic dam mitigation to improve the Skagit watershed and its salmon runs.

Replacing Aging Infrastructure

The Boundary Hydroelectric Project installed a brand new 772,000-pound rotor (rotating component) and refurbished stator (stationary component) in one of its six generators as part of a comprehensive rehabilitation project. This upgrade will enable the generator to operate at improved efficiency, increasing energy output and providing carbon-free, reliable power for the next 40+ years.

ACCOMPLISHMENT HIGHLIGHTS

OUR STRATEGIES



The update is organized around the following business strategies:

- 1 Improve the Customer Experience**
- 2 Create our Energy Future**
- 3 Develop Workforce & Organizational Agility**
- 4 Ensure Financial Health & Affordability**
- 5 We Power**

The fundamentals of the Strategic Plan remain unchanged for the 2023–2028 update. We are delivering on our investments to maintain current service levels and additional strategic investments to enhance service and improve productivity. This plan update further describes the steps City Light is taking.

1

IMPROVE THE CUSTOMER EXPERIENCE

We are focused on engaging with our customers and helping employees see the impact of their actions from the customers' perspective.

We are making investments to enhance accessibility, offer new program choices, and better meet our customers' diverse needs.



PROJECTS, INITIATIVES, ACTIVITIES	WHAT DOES IT LOOK LIKE?
Integrate the 'voice of the customer' into our organizational culture	Implement a Customers First strategy that enables us to keep customers' diverse needs and perspectives front and center when making decisions, developing programs, and delivering services.
Strengthen and fix core customer services	Evaluate and redesign our portfolio of utility assistance programs to ensure our customer assistance and affordability programs are accessible and effective, and help as many eligible customers as possible. Establish a specialized customer support team to address complex billing issues and implement new billing processes to improve customer interactions and address billing issues. Implement service-to-bill recommendations to reduce delivery times for new service connections.
Expand customer service options	Launch the Renewable Plus program, digital marketplace , and demand response pilot to improve demand-side management and energy-efficiency options to help customers meet their sustainability goals. Implement customer technology projects to enable us to give customers more self-service opportunities.

2 CREATE OUR ENERGY FUTURE

Our energy future is based on carbon-free renewable resources. Moving away from fossil fuels will require significant commitments and partnerships. New infrastructure is needed to ensure electricity can be accessed wherever and whenever people need it. Similarly, customers will need more options for accessing and paying for electricity.

Creating our energy future involves:

- Responsibly growing demand for clean energy through electrification.
- Investing in access to low-cost carbon-free renewable power.
- Building and maintaining a smart, resilient, flexible, dynamic, and reliable grid infrastructure.
- Preparing for the increased integration of distributed energy resources and more customer options.
- Working to reverse historic inequities and avoid collateral harm to underserved populations by intentionally prioritizing their needs.

PROJECTS, INITIATIVES, ACTIVITIES	WHAT DOES IT LOOK LIKE?
Utility Next Portfolio	Compete for state and federal grants , including major investments being made available by the Infrastructure Investment and Jobs Act that will augment and accelerate progress in grid modernization and electrification and reduce costs to ratepayers.
Grid modernization program	Implement grid modernization projects and programs to enhance and update our grid to support our customers as more buildings and transportation become electric.
Implement electrification plans	Develop and implement strategies and new programs to support building electrification and invest in transportation electrification infrastructure.
Integrate distribution system and resource planning	Implement an integrated distribution, transmission, and generation resource planning framework to directly connect those three major segments of our system. The framework will incorporate the new grid architecture, including distributed energy resources, and ensure that the overall supply resource plan meets strategic and policy objectives as well as regulatory requirements.
Demonstrate leadership in western market development	Provide leadership to develop a coordinated Western energy market to enable the integration of carbon-free resources, enhance reliability, and support increased planning and operational efficiency in the region.

3

DEVELOP WORKFORCE & ORGANIZATIONAL AGILITY

Our industry is transforming quickly, and so are our customers' needs. We must invest in our people and processes to enable them to thrive in this transformational environment. We are building an organization that is nimble, adaptive, and responsive by investing in strong change management, workforce development, and new technology resources. And we are cultivating a workforce with the skills and knowledge to align with evolving business needs and to advance social justice.

PROJECTS, INITIATIVES, ACTIVITIES	WHAT DOES IT LOOK LIKE?
Organizational change management program	Launch and grow an organizational change management program to help employees prepare and seamlessly adapt to changing job functions, business processes, and technology.
Build an agile workforce	Develop and implement a future of work strategy that encompasses reimagining the workspace for a hybrid work environment; broadening recruitment to reach a more diverse applicant pool; enhancing employee development and training; and developing a culture of accountability and outcomes.
Continued implementation of the Utility Technology Roadmap	Develop and implement policies, procedures, and standards for governance, data management and application implementation. Right-size the plan to ensure that the work can be done effectively and successfully; and real-size the plan to align with industry cost benchmarks.

4

ENSURE FINANCIAL HEALTH & AFFORDABILITY

Financial stability is essential to everything we do. Responsible financial planning makes it possible to develop innovative energy solutions, plan for critical investments, and keep our rates affordable.

We are focused on supporting long-term affordability in Seattle by offering rates that are transparent, understandable, reasonable, and equitable for all customers, including vulnerable populations. This commitment includes developing a sustainable and predictable approach to setting rates over time and providing new pricing options to help customers manage their energy bills through efficient use of our products and services.

PROJECTS, INITIATIVES, ACTIVITIES	WHAT DOES IT LOOK LIKE?
Control rate increases	Improve reporting, analysis, and controls to foster strong fiscal management and accountability at all levels. Cost control and prudent budgeting will enable us to deliver incremental, affordable rate increases that resemble inflation.
Price services for the future	Deliver a new time-of-day rate option and other enhancements to customer pricing plans to refine price signals and give customers more control over their bills.
Road to recovery	Implement a comprehensive, customer-focused road to recovery . This process will include the expansion of repayment and financial assistance options to help customers as they emerge from the COVID-19 pandemic.

5 WE POWER

“We Power” refers to our core mission as a utility—to provide our customers with affordable, reliable, and environmentally responsible energy services. This is central to all we do, and our organizational values describe the way employees deliver on that core purpose.

Our commitment to our core business operations and delivering value to our customers includes:

- Continuing to advance our mission to provide our customers with the energy services they need by responsibly maintaining our key assets and infrastructure.
- Prioritizing diversity, equity, and inclusion in all that we do.
- Actively managing and mitigating the constraints, risks, and uncertainty of operating in a COVID-adjusted environment.

PROJECTS, INITIATIVES, ACTIVITIES	WHAT DOES IT LOOK LIKE?
We Power	Develop dashboards for each line of business to track our progress and hold ourselves accountable.
Skagit relicensing*	Relicense the Skagit River Hydroelectric Project under the Federal Energy Regulatory Commission so that the project can continue to provide clean, carbon-free energy while also safeguarding the cultural and natural resources of the area.
Prioritize investment in core infrastructure*	<p>Prioritize investments in core infrastructure and incorporate new concepts and technologies to accelerate grid modernization.</p> <p>Evaluate and adjust business processes to ensure design and planning supports advancements in our customer-facing services.</p>

* New for 2023–2028 update

INITIATIVE SPOTLIGHTS

Market Development

Western states are increasingly challenged to safely provide cost-effective, reliable electricity from diverse resources across a complex grid and a geographically diverse region. Climate change, drought, and reduced fossil fuel and hydropower resources have exacerbated this task. Meanwhile, customer demand for more and cleaner electricity is increasing due to transportation electrification, building electrification, and increased commercial development. City Light is coordinating with other energy leaders across the West on regional efforts to drive energy market solutions that can improve market efficiencies, leverage diverse resources, achieve carbon reduction goals, and increase reliability in the West. Through participation in efforts like the Western Energy Imbalance Market, the Western Resource Adequacy Program, and the West Markets Exploratory Group, City Light is helping create a more modern electric grid to deliver a cleaner, reliable, and more affordable energy future for everyone.

Investment in Critical Infrastructure

City Light is prioritizing investments in core infrastructure. Thanks to committed crews and staff, we have significantly accelerated our pole replacement schedule—our goal is to replace 1,700 utility poles by the end of 2022. We are also continuing work to upgrade transformers and switchgear at substations, in addition to other system resiliency enhancements.



Skagit Relicensing

City Light is in the process of relicensing the Skagit River Hydroelectric Project, a series of three dams that provides 20 percent of City Light's power. Renewing our federal operating license will allow the Skagit Project to continue producing clean, carbon-free energy while also safeguarding the area's cultural and natural resources. City Light is working with 38 partner organizations and consulting parties—including federal and state agencies, Indian tribes, and nongovernmental organizations—to gather information needed to ensure the protection of natural and cultural resources within the Skagit Project area for the duration of the new license. In March 2022, City Light filed the Initial Study Report (ISR) with the Federal Energy Regulatory Commission.

The ISR provides initial results from 33 studies that are being done to inform the actions that City Light will take to manage and protect the cultural, environmental, and recreational resources of the Skagit River watershed under the next license.

Electrification Strategy

The electrification of transportation and buildings is key to reducing carbon emissions and combating climate change. We are investing in public charging stations, working with customers and partner agencies to electrify fleets, and implementing our building electrification strategy to support City policy goals and further reduce emissions.

Our grid modernization work is key to ensuring we can meet increased demand, while further enhancing the reliability and resiliency of our infrastructure and offering new choices to our customers. Another quickly evolving opportunity is the emergence of renewable hydrogen as an element of a decarbonized energy system; we are piloting hydrogen concepts along the downtown Seattle waterfront, and working with other agencies to promote a regional hub for renewable hydrogen as called for by the Infrastructure Investment and Jobs Act.

KEEPING CUSTOMER BILLS AFFORDABLE & STABLE

Seattle City Light is committed to providing strong, secure, and flexible energy infrastructure so all our customers have access to reliable and affordable electricity, whenever they need it and wherever they are.

This Strategic Plan Update results in a rate path of 4.5 percent increases annually for the first two years, then increases of 3.0 percent each year for the remaining four years. For 2023 and 2024, the 4.5 percent increase translates to about \$4 a month for a typical residential bill or \$1.50 a month for a typical residential utility discount program (UDP) bill. In 2023, a typical residential bill would be \$84.69/month, a \$3.65 increase; a typical UDP bill would be \$33.87, a \$1.46 increase.

Inflation in the cost of construction materials (e.g., wire, wood poles, and transformers) is a driving factor behind the 4.5 percent rate increases for 2023 and 2024. We are all seeing the impacts of price inflation in our purchases, and City Light is no exception. The rising value of raw materials like copper and steel has also increased the theft and vandalism of utility infrastructure, which compounds cost pressures.

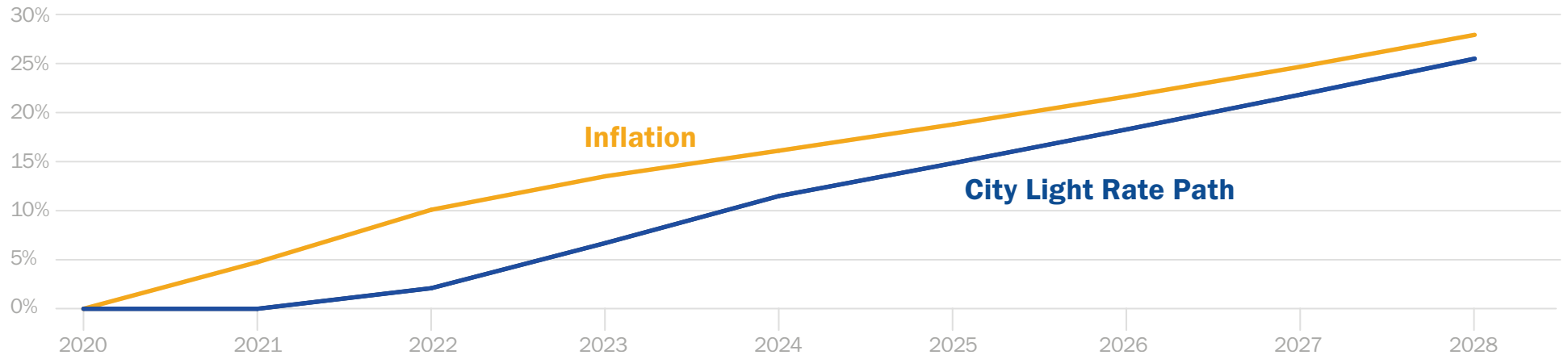
Access to affordable electricity for everyone is our goal. Throughout the pandemic, City Light has continued to deliver essential services to the residents and businesses we serve, including those who could not afford to pay their bills. As pandemic response measures sunset and we restart collections practices, we will work with more than 40,000 residential and business customers who have a total balance of nearly \$40 million in unpaid bills to help them manage their outstanding balances. As a community-based electric utility, rates include funding for income-based bill discount programs, emergency bill repayment resources, and outreach to historically excluded communities, so all customers can access help when they need it.

Rate Increase	2023	2024	2025	2026	2027	2028
Strategic Plan Update 2023–2028	4.5%	4.5%	3.0%	3.0%	3.0%	3.0%

RATES ARE GROWING WITH INFLATION

Cumulative Increase

Consumer Price Index, Source: City of Seattle Office of Economic and Revenue Forecasts, January 2022



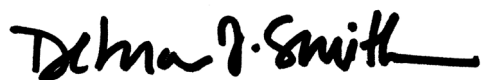
TO OUR CUSTOMERS & COMMUNITY

It has been an honor to lead Seattle City Light over the past three and a half years. None of us could have predicted the arrival of COVID-19 in early 2020 or the profound impact it would have on every area of life. When March 2020 arrived, we paused and shifted our focus to employee and customer safety. The pause included our strategic planning process; we knew our attention must be short term, tactical, and logistical. Over time, our comfort with the new normal increased and 2021 became our year to “Focus and Finish.” City Light employees were ready to think about the future, and we restarted our strategic planning work. The resulting 2022–2026 Strategic Plan Update prioritized work that would help us “Recover, Refocus, Restart.”

Looking ahead, we know the future is uncertain, and success is dependent on approaching challenges and opportunities with curiosity, kindness, and a commitment to equity. Economic recovery is happening all around us. As a community-owned utility, our job is to help our customers thrive in the future we are creating together.

The time is now. Ready, set, go!

Thank you,



Debra Smith
General Manager & CEO



Seattle Mayor Bruce Harrell with City Light General Manager and CEO Debra Smith at the Earth Day celebration of the completion of the Miller Community Center Microgrid.

REVIEW PANEL

The Seattle City Light Review Panel is comprised of nine members drawn from among City Light's customers, to review and assess City Light's strategic plan and provide an opinion on the merits of the plan and future revisions to it to the Mayor and the City Council.

Anne Ayre

Industrial Customer Representative

Mikel Hansen

Commercial Customer Representative

Scott Haskins

Financial Analyst

Leo Lam

Residential Customer Representative

Kerry Meade

Nonprofit Energy Efficiency Advocate

Michelle Mitchell-Brannon

Low-Income Advocate

Joel Paisner

Suburban Franchise Representative

John Putz

At-Large Customer Representative

Timothy Skeel

Economist

APPENDICES

[Financial Forecast](#)

[Outreach Summary](#)

Visit the [Seattle City Light Strategic Plan website](#) to learn more ▶



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